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United Nations Conference on Trade and Development

TRADE AND DEVELOPMENT BOARD

Twentieth session

SUMMARY RECORD OF THE 520th MEETING

held at the Palais des Nations, Geneva,
on Monday, 17 March 1980, at 3 p.m.

President: Mr. PARSON (New Zealand)
later: Mr. NEMERE (Hungary)

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Any corrections to the records of the meetings of the Board at this session will be consolidated in a single corrigendum to be issued shortly after the end of the session.

12. Mr. Alvim (Brazil), Mr. Dmowski (United Republic of Tanzania), Mr. Kuwalat (Poland), Mr. Mora-Alvarado (Honduras), Mr. Lossi (Italy), Mr. Jaramillo (Colombia), Mr. Charara (Lebanon), Mr. Valdés (Cuba), Mr. Ginsbi (Ceylon) (Democratic Republic) and Mr. Dawda (Gambia) were elected Vice-Presidents by acclamation.

INTRODUCTORY STATEMENT BY THE SECRETARY-GENERAL OF UNCTAD */

13. Mr. JONES (Secretary-General of UNCTAD) said that the twentieth session of the Board was the second to be held since the fifth session of the Conference at Manila and the first of the two 1980 sessions, in conformity with the Conference decision that the Board should henceforth meet twice a year. The agenda for the session was closely concerned with action to implement the decisions taken at the Manila session. He urged he was sure that members of the Board fully appreciated the gravity of the international environment which formed the background to the twentieth session. Two developments were of special relevance to its work. The first was the current world crisis, the most serious in recent years, which was affecting the whole international community. The developed countries were suffering inflation, recession and unemployment. The developing countries were facing payment imbalances larger than ever before. Their balance-of-payments gap for 1980 was expected to exceed the figure of $55 billion forecast at the time of the annual meeting of the World Bank and the International Monetary Fund in October 1979 and was now projected to reach $75 billion. There were apparently no arrangements for bridging the gap and if nothing was done the developing countries would have to face a reduction in the tempo of their development and the disruption of their normal economic life. The prospect was extremely serious and should receive the urgent attention of the world community. Many of the facets of the current world economic situation, related to the crisis in the trading, monetary and financial systems and reflected problems with which UNCTAD had long been concerned. The seriousness of the situation in respect of both its short-term and its long-term aspects heightened the urgency with which the Board should approach its work at the twentieth session.

14. The recent development of general events in the United Nations system in the coming months. A special session of the General Assembly was to be held at the end of August and beginning of September 1980 to consider problems of development and one of its main tasks would be to adopt the new International Development Strategy for the 1980s and launch a new global round of negotiations. He was glad to report that, despite pressures and limited time, UNCTAD had been able to respond to the invitation of the General Assembly's Preparatory Committee on the Strategy. In the past week the High-Level Intergovernmental Group on the Contribution of UNCTAD to the Preparation of the New International Development Strategy had met and the regional groups in UNCTAD had set out their positions in some detail. He thought that the work of the High-Level Group would provide a useful basis for the Preparatory Committee in preparing the new Strategy for adoption at the Assembly's special session.

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*/ The text of the statement was subsequently issued under symbol TD/B/(XX)/Misc.1.

15. He had recently attended a meeting in New York of the ministers of the countries members of the Group of 77 on matters relevant to the new global round of negotiations - in particular its agenda - and had sensed a strong and sincere desire for UNCTAD and other organizations in the United Nations system to make a positive contribution to those negotiations. The issues to be dealt with had long been of concern to UNCTAD, and accordingly he considered it essential to determine how the work of UNCTAD and the global negotiations could be mutually supportive and reinforcing.

16. In addressing the Group of 77 meeting he had drawn attention to the desire expressed there that the global round should not impede current negotiations within the United Nations system and that the two should be mutually supportive. He had also stated that the issues on which UNCTAD was already involved in negotiations or already had mandates to initiate new processes fell into two categories. The first included a number of subjects specified by the Conference at its fourth session held at Nairobi: the establishment of the Common Fund, international commodity agreements, the adoption of an international code of conduct on the transfer of technology, the establishment of acceptable rules and principles to regulate restrictive business practices and the formulation and adoption of a convention on multimodal transport. All those were the subject of continuing and complex negotiations in which progress had been made. In virtually every case most of the work had been done and completion was in sight. Although negotiations were necessarily slow and there were still problems to be overcome, there was no question of deadlock. All that was needed was time and the necessary political will. It was surely not unrealistic to believe that negotiations could be successfully concluded during the current year. He hoped that they would not be contingent on the settlement of a number of critical issues that were to form part of the global round of negotiations, which might not start until early in 1981.

17. The second category of issues arose out of the new mandate assigned to UNCTAD by the Conference at its fifth session. A number of decisions had been taken requesting UNCTAD to initiate intergovernmental negotiations. In this regard, three important subjects could be highlighted: the addition of new elements to the Integrated Programme for Commodities, relating to the marketing, distribution and processing of commodities; recommendations on protectionism and structural adjustment - the link between the two was emphasized by their inclusion in one resolution; and the decision by vote to set up a group of experts on the fundamental aspects of reform of the international monetary system, with emphasis on its relationship with trade and development.

18. With regard to the Manila decision concerning the marketing, distribution and processing of commodities, he said that the UNCTAD secretariat was preparing the groundwork for intergovernmental action at an appropriate moment. Regarding the reform of the international monetary system, he said that provision had been made in the UNCTAD calendar of meetings for a meeting of government experts in late July.

19. He urged the Board to give every attention to the serious issue of protectionism and structural adjustment. He felt that UNCTAD should involve itself more deeply in various aspects of the problem of world trade, as that was part of UNCTAD's raison d'être. The Board had to consider how to implement the decision on the question of protectionism and structural adjustment. In his opinion, the issues it raised were so wide-ranging and multifaceted that at the present stage only the Board itself could take an over-all and integrated view of them, and it was therefore hard to see how consideration of them could be delegated to a subsidiary body.

20. With regard to the other items on the agenda, he noted that item 5 had been transmitted by the nineteenth session, at which he had expressed the view that action on the item would represent a useful contribution on the part of UNCTAD and fill a gap in the present system. Concern had been expressed at the possible duplication of effort, but he considered that a review of the world economic situation in depth on an annual basis by the Board, based on a thorough expert review of the facts of the situation would be useful for any negotiation process in the United Nations system.

21. Another issue was the debt problem of developing countries. Even if the huge financial gap could be closed, which was a major challenge in itself, much of the financing of the deficit would further aggravate the external debt situation of the developing countries, and it was therefore more urgent than ever to tackle the fundamental aspects of the problem. In that connexion, he was pleased to draw attention to the letter received from the Government of the Netherlands */ on additional debt relief measures taken by it pursuant to part A of Board resolution 165 (S-9). He added that in his opinion the Board, at the present session, could provide some impetus to the search for a solution relating to guidelines or features for dealing with emerging debt situations of developing countries.

22. The Board was expected at the current session to assess progress made towards the establishment of the new international economic order, which would be a major theme for the special session of the General Assembly in August/September 1980. The present session of the Board was the last prior to that special session of the General Assembly, and any contribution by the Board would have to be formulated at the current session. The UNCTAD secretariat had submitted a report to the nineteenth session and had provided additional information to the current session.

23. Another issue to be considered by the Board was the evaluation of the results of the multilateral trade negotiations, on which the secretariat had submitted a report (TD/B/778 and Add.1). The implementation of the decisions reached in those negotiations had commenced in GATT, and he had already written to the Director-General of GATT stressing the need for and the usefulness of UNCTAD participation in that work.

24. He noted that economic co-operation among developing countries was another issue before the Board at its twentieth session. The interregional meeting of the developing countries on a number of priority areas in the field of economic co-operation among developing countries had originally been scheduled prior to the twentieth session of the Board, but in fact it was being held concurrently with it.

25. Another important item on the agenda concerned the rationalization of UNCTAD's work. The Board had before it a report on the meeting of the Ad Hoc Intergovernmental Committee on the Rationalization of UNCTAD's Machinery (TD/B/756), at which valuable suggestions had been made by all members although consensus had not been reached on the precise measures needed. The subject merited careful consideration and therefore might need to be considered further at the following session; but to the extent that some decisions might be taken immediately, there was no reason for delaying them. A related issue was the request that he should consult with the Secretary-General of the United Nations with a view to seeing how a greater degree of flexibility could be provided to UNCTAD in respect of conference services, budgetary, financial, personnel and administrative matters. He had brought the issues to the attention of the

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*/ Reproduced in document TD/B/790.

Secretary-General of the United Nations, who was in favour of all possible action in that regard. A high-level meeting had been held in New York. Discussions at a more technical level were under way, and it was hoped that by the time of the Board's next session a report might be submitted on the results of those consultations.

26. In conclusion, he stressed that the twentieth session was very short and had a crowded agenda, which represented an arduous task ahead. The Board was called upon to make an important contribution to the future work of UNCTAD on a number of serious issues, and he expressed his best wishes for the success of the session.

27. Mr. JANNI (Italy), speaking on behalf of Group B, congratulated the President on his election and thanked the outgoing President for his work during the nineteenth session and the Secretary-General for his address, which would be a source of inspiration to all delegations.

28. Mr. ARAUJO (El Salvador), speaking on behalf of the Group of 77, thanked the Secretary-General for his statement, which represented a major contribution to the substantive work of the Board's twentieth session, and added that the text of the statement should be circulated as an official document of the session.

29. Mr. PRAVDA (Czechoslovakia), on behalf of Group D, congratulated the President on his election and expressed his thanks to the outgoing President and to the Secretary-General for his address.

30. Mr. MICOLLI (Deputy Secretary of the Board) announced, in conformity with General Assembly resolution 2990 (XXIV), the financial implications of circulating the text of the Secretary-General's statement in the original language only, in the four working languages or in the six official languages of the Organization.

31. Mr. BRILLANTES (Philippines) congratulated the President on his election, which was in accordance with the principle of geographic rotation. With regard to the circulation of the text of the Secretary-General's address, he suggested that for this to serve a purpose it should be made available to delegations not later than the following morning.

32. Mr. ARAUJO (El Salvador) appreciated the limitations on the resources available to the secretariat for the production of documents, but pointed out that delegations needed documents in all the working languages, and that consideration should apply to the text of the statement of the Secretary-General of UNCTAD.

33. Mr. BRILLANTES (Philippines) said that if the text of the Secretary-General's statement was to serve the purpose delegations had in mind, namely, to give the members of the Board guidance regarding the different items on the agenda of the present session, it was needed quickly, and that would only be possible if it was issued in the original language.

34. Mr. AHOUNOU (Benin) said that for delegations which did not understand English the circulation of the Secretary-General's text in the original language only would be of little use.

35. The PRESIDENT said that the secretariat could undertake to reproduce the text of the Secretary-General's statement in the original language by the next day and in other languages as soon thereafter as was feasible, if that would meet with the approval of members of the Board.

36. It was so decided.

37. Mrs. PUGLISI (Italy) said she felt obliged to point out, with respect to the matter of documentation, that many important documents, for example that concerning such highly technical matters as the multilateral trade negotiations, had been distributed only on the eve of the Board's session or were still not available in all languages. For the Board's work to be fruitful, it was necessary for delegations to consult their national experts, but such consultations were not possible if documents were not circulated in time. The Board was very much concerned with the question of the rationalization of UNCTAD's methods of work and machinery, and in fact was to discuss that subject at the current session. The timely circulation of documents was clearly essential to the rational functioning of UNCTAD, but in spite of all the promises and efforts made, the problem of their late issue persisted. In fact, the situation appeared to have deteriorated of late. She would therefore urge that the utmost endeavour should be made to solve that problem once for all.

38. Mr. HERSCHEL (United States of America) endorsed the plea of the representative of Italy and pointed out that, according to the rules, all documents should have been distributed, at the latest, six weeks before the opening of the session. In view of the brevity of the session, the late circulation of documents was all the more serious. Delegations certainly needed the views of the experts in their capitals in order to be able to negotiate on important issues.

39. Mr. McPHAIL (Canada) endorsed the comments of the representativesof Italy and the United States of America, and pointed out that the Conference had, at its fifth session, adopted a new decision on that subject in its resolution 114 (V) (para. 10). He asked if the secretariat could inform the Board of the dates on which the documents for the current session had been available in all the official languages.

40. The PRESIDENT said that the secretariat would supply that information.

PROCEDURAL MATTERS (item 1 of the provisional agenda) (resumed)

(b) ADOPTION OF THE AGENDA AND ORGANIZATION OF THE WORK OF THE SESSION (TD/B/776 and Add.1 and 2)

41. The PRESIDENT drew attention to the annotated provisional agenda (TD/B/776 and Add.1) and recalled that the draft provisional agenda had been adopted by the Board at its nineteenth session. At that time the Board had authorized its President, in consultation with the Secretary-General of UNCTAD, to adjust the provisional agenda in the light of developments. Accordingly, and in consultation with the co-ordinators of the regional groups, the provisional

agenda had been adjusted to incorporate under item 7, "Matters requiring action by the Board arising from or related to reports and activities of its subsidiary and other bodies", the sub-headings (a) Commodity trade, (b) Manufactures and semi-manufactures, (c) Shipping and (d) Rationalization of the permanent machinery of UNCTAD. Since there were no matters for consideration under item 8 of the draft provisional agenda, "Other matters in the field of trade and development", that item had been deleted from the provisional agenda and the remaining items renumbered accordingly. He invited the Board to adopt the provisional agenda, which incorporated those changes.

42. The provisional agenda (TD/B/776 and Add.1) was adopted.

43. The PRESIDENT drew attention to the suggestions for the organization of the work of the session contained in document TD/B/776/Add.2. Referring to paragraph 3 of that document, he invited the Board to agree to the establishment of a Sessional Committee of the whole, with the terms of reference set forth in that paragraph, and to allocate to the Committee items 2 and 7 of the agenda just adopted.

44. It was so decided.

45. The PRESIDENT stated that the remaining items on the agenda would be considered by the Board in plenary. Drawing attention to paragraph 6 of document TD/B/776/Add.2, he invited the Board to agree to the establishment of a Contact Group which would, as on previous occasions, consist of 19 members drawn from the various groups of countries (nine from the Group of 77, six from Group B, three from Group D and one member from China), but would remain open to all delegations.

46. It was so decided.

INSTITUTIONAL, ORGANIZATIONAL, ADMINISTRATIVE AND RELATED MATTERS (agenda item 6)

(a) TREATMENT OF NEW STATES MEMBERS OF UNCTAD FOR PURPOSES OF ELECTIONS

47. The PRESIDENT stated that in part C (paragraph 4) of its resolution 34/92 of 12 December 1979 the General Assembly had decided, in accordance with section I of its resolution 1995 (XIX), to grant full membership in the Conference to Namibia, represented by the United Nations Council for Namibia. He invited the Board to welcome Namibia to UNCTAD membership. In accordance with established practice, the Board might wish to decide, pending action by the Conference at its sixth session, to associate Namibia with the group of countries listed in part A of the annex to resolution 1995 (XIX), as amended.

48. It was so decided.

49. Mr. McPHAIL (Canada), speaking on behalf of the delegations of Canada, France, the Federal Republic of Germany, the United Kingdom and the United States of America, said that those delegations took note of the decision just announced. He recalled

that the Governments of those delegations had abstained in the vote on General Assembly resolution 3/92, for reasons which were well-known. The position of those delegations remained as they had been expressed in the General Assembly at the time of the vote on that resolution in December 1972.

50. Mr. NIZOLLIN (United Nations Council for Namibia) said that the statement which had just been made had been heard in other forums; he did not intend to engage in polemics, but would simply point out that General Assembly resolution 3/92 had been adopted and the question could not be reopened.

(b) ANNOUNCEMENT OF ANY CHANGES IN THE MEMBERSHIP OF THE BOARD AND ELECTION TO MEMBERSHIP OF THE MAIN COMMITTEES

51. The PRESIDENT stated that at the end of the ninetenth session, the membership of the Board had stood at 121. No further communications had been received and consequently the membership of the Board remained as at the close of the nineteenth session.

The meeting rose at 5.40 p.m.